

LIFE AFTER Y2K -- WHAT'S NEXT?

By: Katie Koeller - Director, Marketing Communications, Research & Recruiting

"You are famous for the wars you win,
not the ones you prevent"

Winston Churchill

So it was for CIOs and their Y2K war. With so few Y2K problems being reported nationwide, the great work done by so many CIOs and their staffs has largely been overlooked. In some cases, the real value of the Y2K program has been questioned. Daniel LeMorte, the CIO at Cole National Corporation in Cleveland, Ohio was asked this question from Cole National CEO after Y2K, "Why did we spend all that money for nothing to happen?"

On the other hand, here are some positive residual effects for the most, if not all, organizations from their Y2K programs. The Y2K crisis has resulted in more efficient processes, faster time to market, and many other technology based improvements. With the Y2K issue behind them, what do CIOs see on the horizon?

Thanks to our NETWORK members, M. Wood Company has been able to document how the Y2K war went, what happened to the dedicated staff, and what our CIOs see at their future IT issues. Of our sixty-two MWC NETWORK members, M. Wood Company received thirty-four responses to our survey. This is over half of our membership! Thank you to all who took the time to respond.

DID THE ACTUAL JANUARY 1, 2000 DATE CAUSE ANY SIGNIFICANT PROBLEMS?

One-hundred percent of our respondents documented there were no significant problems related to Y2K. Richard Hann, CIO at the Bradford Exchange in Chicago found some minor application problems which were easily corrected and Dawn Shattuck, CIO at Mutual Insurance Corporation of America in East Lansing, Michigan encountered her most serious problem being the postage machine did not roll over correctly. That application was fixed that same day. This question, however did bring some humorous responses which there is one I would like to share. Robert Thompson, CIO at Community First Bancshares in Fargo, North Dakota said the largest issue was the boss blowing a secretly-held air horn in the computer room as the console rolled to midnight! Nothing is ever too serious to have some fun while you work.

HAPPY 2000!

M. Wood Company would like extend to you and your families a very Happy New Year. As the dust has finally settled on the Y2K hype and reality, we thank you for taking the time to respond to our "After Y2K" survey. The inquiry gained a fifty percent return rate! Included in this issue of network News is a documented look at what's next in 2000 for our CIOs. Enjoy the issue!

THIS ISSUE



LIFE AFTER Y2K
Your responses



SAVE THE DATE!
Next Roundtable:
March 10, 2000 - Security



NETWORK NEWS ON-LINE



ASK MWC?
CSF #3 – Organizational
Structure



VP/CIO/CTO SEARCHES
What's New For 2000

WHAT'S NEW IN 2000!

The Year 2000 has brought several exciting senior IT career opportunities to M. Wood Company. The following is a listing of our current VP/CIO/CTO searches. Please contact John Poracky (poracky@mwoodco.com) or Milton Wood (mwood@mwoodco.com) if you know if anyone (including yourself) that could be appropriate for these roles. We encourage you to visit our web site at <http://www.mwoodco.com> to see more extensive descriptions.

- **VP Planning & Architecture – Chicago, IL**

An international financial services corporation dealing in futures and options. This position is responsible for developing and implementing the Information Systems technology plan; defining the goals and objectives of the MIS organization along with an operational plan to manage project implementation schedules.

- **Chief Technology Officer – East Coast**

As a spinoff of one of the largest independently owned list services, our internet-based client develops, maintains and mines proprietary and client-owned marketing databases generated via the internet and email marketing by applying proven direct marketing principles. The CTO will bring technical expertise to translate the use of Internet marketing to gain market share for our client's products and services -- this includes current, future and global opportunities. Pre-IPO. Breakthrough industry leading innovation. Has just acquired two additional companies.

- **Vice President E-Commerce Strategy – Midwest**

Global manufacturing and Fortune 150 company continues its aggressive growth transforming from national to international organization. The mission of the Vice President of E-Commerce Strategy is to research, analyze and implement a global E-Commerce strategy for the corporation. The candidate will act as a member of the CEO's Executive Council which will develop business and technical strategies for the corporation's future.

- **Sr. VP Information Services – Minneapolis, MN**

A subsidiary of one of the largest healthcare providers in the country, our client is a leading health care information and research company. The mission of this position is to transform I/S into an enabling corporate asset. This position must work in concert with corporate executives to be a partner with all new acquisitions and groups to set/align strategic I/S direction; to interpret I/S with business plans and new acquisitions; to implement transformation projects; to reuse assets and enhance reviews; and respond quickly to the needs of the business.

- **Sr. VP Applications Development – Chicago, IL**

A leading provider of actionable sales and marketing information, innovative software applications and timely business solutions to the consumer packaged goods (CPG) industry is looking for a process oriented technology executive to head the Applications Development Group. This person will develop and execute an applications vision to take technology to the next level and work with other vice presidents to establish and implement applications development standards.

- **Chief Operating Officer – California**

Large Application Service Provider (ASP) for the Healthcare industry (market cap \$2 billion). E-portals bring content from multiple service organizations to providers (e.g. doctor offices), managed care customers, and Professional Practice Management Companies (PPMs). Key to this position includes leadership of a fast-paced, service-oriented business. Experience in M&A, high level sales support, day to day operations and strategic alliance development a must

ASK MWC?

To continue our series of Critical Success Factors for CIOs, this issue's focus is on CSF #3 - Organizational Structure.

As M. Wood Company specializes in the CIO arena, we have discovered a crucial part of a CIOs success is their ability to develop a successful organizational structure. Your IT structure should be dictated by the support needed by the company's customer (e.g. functional sides) and the organizational processes (i.e. geographic regions, distribution channels, etc.)

I. Develop IT Cross-Organizational Teams

The success of an IT organization is mostly measured on their ability to understand what their customer's true needs are, how that aligns with the business strategy, and most importantly, IT's communication and delivery of those needs. In order to determine the true needs, M. Wood Company strongly suggests developing cross-organizational teams to integrate functional and IT sides into a project or issue. This way, communication is clear and the correct questions can be answered.

II. Hire For Talent Over Skills

In today's search for exceptional technical talent, the pool is getting smaller. M. Wood Company lives the philosophy of "talent over skills". A talented person can learn new skills. Talent is something that cannot be learned -- it comes from inside.

III. Change or Kill the Cowboys

Team orientation is critical in executing your vision. In order to develop a cohesive IT strategy, a CIO must get everyone on the same page. Turfism cannot be tolerated. In some cases that may mean getting rid of those who cannot buy-in or support the direction.

IV. Have 2 or 3 "Go-To-Guys"

In order for a CIO to spend the critical 70% upward management and 30% downward management, it critical for a CIO to have two or three go-to people to execute the vision.

The next issue of Network News will highlight the fourth CSF - Infrastructure.

CASE STUDY

This case study has been developed to preface our upcoming MWC NETWORK roundtable breakfast on March 10, 2000 in Chicago. Gary Swindon, the Chief Security Officer at Healthon/Web MD will be speaking to our NETWORK on security and its relationship to E-Business.

COMPANY PROFILE: Our client, Healthon Corporation, founded in 1996 and most recently renamed Healthon/WebMD Corporation from the 1999 merger of Healthon and WebMD is a \$6.5 billion market cap, publically held organization which has been involved in twelve acquisitions in 1999 alone. The Company is building an Internet-driven system of software and services that lets organizations involved in health care securely exchange information and execute transactions. Its Virtual Healthcare Networks automate such tasks as HMO enrollment, referrals, data retrieval, and claims processing. The system includes services for physicians, medical groups, providers and payers, and reference laboratories.

POSITION: Chief Security Officer

BUSINESS ISSUE: Part of the business strategy at Healthon/Web MD is to have a world-class bulletproof 100% secure network. M. Wood Company worked with senior management to devise a position in which their objective was to research, plan and implement that strategy. Subsequently, M. Wood Company was retained to conduct the search for that individual – the Chief Security Officer.

ISSUES TO BE ADDRESSED: As a part of our consultative search process, M. Wood Company worked with the senior management team to identify and prioritize issues imperative to keeping up with the company's tremendous growth. Several of those issues were:

- This environment had a highly complex network
- Healthon/WebMD will continue to acquire companies. How will they be integrated?
- What type of security is needed and at what levels (i.e. at the server, router, and/or individual record level)?
- Encryption – definition as to what levels are required?
- How does the Health Information Personal Privacy Act (HIPPA) come into play?

RECOMMENDATION: Healthon/WebMD was able to utilize M. Wood Company's extensive healthcare and technology expertise to develop a search specification that would attract and outline very detailed requirements to the position. It was evident that substantial technology, internet and complex security background were crucial prerequisites to the role. Healthcare experience was not nearly as important -- employing M. Wood Company's "talent over skills" hiring philosophy.

SUMMARY: M. Wood Company brought Gary Swindon, one of the top security executives in the country, to Healthon/Web MD and subsequently has filled several other executive positions at the company. 

SAVE THE DATE - MARCH 10, 2000



M. Wood Company is pleased to announce the continuation of our MWC ROUNDTABLE sessions. Our next breakfast roundtable is scheduled for Friday, March 10, 2000 at the Union League Club in Chicago. Gary Swindon, the new Chief Security Officer at Healthon Corporation and an active NETWORK member, will lead a discussion on security and its impact on E-Business. Please watch your mailboxes for a formal invitation and agenda in mid to late February.



"I learned that a great leader is a man who has the ability to get other people to do what they don't want to do and like it."

Harry Truman

"The person who knows 'how' will always have a job. The person who knows 'why' will always be his boss."

Diane Ravitch

"When I must criticize somebody, I do it orally; when I praise somebody, I put it in writing."

Lee Iacocca

"There are three types of leaders: those who make things happen; those who watch things happen; and those who wonder what happened?"

An old American military saying

We would like to welcome the following senior IT executives to the MWC NETWORK. If you would like to contact NETWORK members, please contact Katie Koeller at koeller@mwoodco.com

Dawn Shattuck, CIO

Mutual Insurance Corp. of America
East Lansing, MI

James Hudak, President of United HealthCare Technology Services

United HealthCare
Minnetonka, MN



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Please forward any comments or suggestions to Katie Koeller, editor at: koeller@mwoodco.com.

WHAT WILL YOU BE DOING WITH Y2K STAFF?

Of our respondents, the two most common answers to this question were:

1. The majority of internal staff will be transitioned onto other projects.
2. Many of the staff were contractors and have since been terminated.

It was agreed by many members that with Y2K completed, their staff are now available to focus on the backlog of system requests and the support of more strategic issues. This leads into the next question:


WHAT ARE THE NEW HOT ISSUES FOR YOUR ORGANIZATION?

Answers to this question were fairly broad with the most common answers being:

1. E-Business strategy, expansion and deployment
2. Infrastructure improvements and integration initiatives
3. Data Warehousing
4. Information Security

William Berry, CIO of the Automotive Systems Group at Johnson Controls, International in Holland, Michigan, finds his most challenging "After Y2K" issue developing and deploying a global IT organization. With six data centers around the globe, E-business and the establishment of common business processes and systems worldwide will be equally crucial in achieving this goal.

With Y2K complete, Steven Hanna, CIO at General Motors Truck Group in Pontiac, Michigan is focusing on achieving operational excellence. Jeff Reinke, CIO at American Seating in Grand Rapids, Michigan, Daniel LeMorte, CIO at Cole National and Laurie Rauch, CIO at Terra Industries in Sioux City, Iowa have ERP selection and deployment on their minds.

Whatever specific challenges are facing our NETWORK members in the upcoming year, we at M. Wood Company stand ready to assist you and hope that your find the support and interchange of ideas with our fellow members helpful. We look forward to seeing you all at the next Roundtable Breakfast, Friday, March 10, 2000! 

WWW.CIOCORNER.COM

With the redevelopment of our website - <http://www.mwoodco.com>, M. Wood Company has created an area specifically catered to the CIO community - www.ciocorner.com. In this area, past and current issues of *Network News* will be on the site, in addition to feature articles and resources to assist in your career needs. CIO Corner can be accessed through the M. Wood Company website or directly at <http://www.ciocorner.com>. This area will be continually updated with new resources and information for senior technology executive. We will continue to mail hard copies of *Network News* to you, however we encourage you to bookmark www.ciocorner.com for future reference.